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THE DIRECTOR OF
CENTRAL INTELLIGENCE

NIO/W

National Intelligence Officers

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NOTE FOR: The DCI

VIA : NIO/W
D/NFAC

FROM : NIO/WE

SUBJECT : NIO/WE Warning Meeting of 30 November

Forwarded herewith the second report of
the Warning Group on Western Europe.


Joe L. Zering

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WARNING REPORT - WESTERN EUROPE

1. Spain - Even though the December 6 referendum should come off as scheduled and the constitution be endorsed by the expected wide margin, we believe that the political situation will remain tense, uncertain, and subject to disruption. Information that the Basque terrorists have planned "spectacular" operations--assassinations or kidnappings--in the hope of derailing the referendum leaves little doubt that they will continue to go to desperate lengths even after the constitution is approved. The most serious threat remains a successful operation against the King, a member of his family, or a high government or military figure. The King has been largely instrumental in getting a skeptical military to acquiesce in the dismantling of Franco's institutions, and the King's assassination would make highly questionable their continued loyalty to the new regime. The badly demoralized security forces--among whom there has been insubordination and reported coup plotting--are even more suspect than the army. Although either a terrorist spectacular or insubordination in the security forces would bring political leaders together across the spectrum, such a coalescence might not be enough to fend off military pressure for martial law or a new rightist government. Military pressure would be particularly hard to resist in the absence of the King's mediating influence. Either martial law or a swing to the right would be a serious setback to Spanish democracy and could even lead to a rapid unravelling of the whole transition process.

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2. Italy - It is still touch-and-go for Prime Minister Andreotti, with every decision he faces the occasion for a new tug-of-war among the

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contending forces over his government's survival. Elements of Andreotti's Christian Democrats who are deeply suspicious of how far he is prepared to go in cooperation with the Communists or who are simply eager to succeed him are obviously looking for the opportune moment to unseat him, and they are abetted by the equally unhappy lay parties. The maneuvering of the Socialists, who are trying to stage a comeback, is a particularly destabilizing element; they reportedly plan to use their mid-December central committee meeting to launch an attack on Andreotti aimed at bringing down his government. It is not clear what the Socialists propose to put in its place, but they are apparently aiming for some arrangement /^{less}dependent on the Communists. For their part, the Communists are no less uncomfortable, with the Berlinguer leadership under growing pressure from the party base to have more to show for its support of the government. The current wage negotiations are a particular dilemma for the PCI, which must strike a balance between responsibility and responsiveness to the workers' demands. The internal party problems in both the DC and the PCI, the lack of any ready alternative to the Andreotti formula, and uncertainty over the outcome of new elections appear to be the main things that Andreotti has working for him. The most recent test at the polls--the local elections in the north--in which the Christian Democrats, Communists, and Socialists all came off rather poorly may in particular inject further caution. Should Andreotti make it through the next two months, his chances of surviving through the June elections to the European Parliament would probably improve. Early elections would likely be fought on the question of the PCI's future role in government. The results are less certain than in past Italian elections and are likely to be heavily influenced by events between now and the balloting.

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3. Turkey - Prime Minister Ecevit seems to have adequate control of his party at the moment; however, there are signs of growing restiveness. Considering his two-vote margin in parliament, even a small party revolt or limited defections could bring down his government. We do not have a good handle on the impact of continuing internal violence and, especially, the poor state of the economy, but we are concerned that a lack of improvement in these areas could also lead to increased instability. [REDACTED]

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4. Miscellaneous - The warning group also discussed the following items, but for one reason or another decided not to include them in this report:

- recent border incidents between Greece and Turkey;
- right-wing plotting in Cyprus;
- possible implications of European monetary arrangements;
- local election results in Portugal;
- Europe's growing receptivity to China's interest in trade, technology, and military hardware; and
- the recent transit agreement between West and East Germany.

We may return to some of these items in a future report. [REDACTED]

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